

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries & Commerce Department – LIDCAP - Sanction of Rs.2.60 crores as loan to LIDCAP towards payment of the retirement benefits/PRC arrears to 40 retired/ expired employees since 2008 under plan – Orders – Issued.

INDUSTRIES & COMMERCE (MSME) DEPARTMENT

G.O.Ms.No. 56

Dated:15-06-2010

Read the following:-

- 1) From the VC & MD, LIDCAP, Hyderabad, Lr.No.LIDCAP/Accts./2-033/2009-10, dt:21.12.2009
- 2) From the VC & MD, LIDCAP, Hyderabad, Lr.No.LIDCAP/ Accts/2-033/2009-10, dt:17.03.2010
- 3) G.O.Rt.No.2670, Finance (Expr.I&C) Dept., dt:27.5..2010

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ORDER:

The Vice Chairman & Managing Director, Leather Industries Development Corporation of Andhra Pradesh Limited (LIDCAP), Hyderabad, in the reference 1st & 2nd read above, has stated that during the years 1999, 2000 and 2008 a considerable number of employees of 69 in LIDCAP were opted for VRS and left the organization for which the Government has released funds to a tune of Rs.2.92 crores for the payment of the VRS benefits to the employees who opted for the Voluntary Retirement Scheme as loan.

2) The Budget amount now the Corporation drawing was based on the PRC 1986 scales when the total salaries & over heads were Rs.7.00 lakhs per month. Subsequently, in view of implementation of the RPS 1999, 2005 the present salary and other overheads raised upto Rs.21.00 lakhs per month. Further, from 2009-10 onwards the Government has reduced the regular Annual Budget for LIDCAP and in such situation the Corporation is not in a position to release the salaries to the employees presently working. Presently the Corporation has to pay the retirement benefits/PRC arrears to 40 retired/expired employees since from 2008, for which LIDCAP needs an amount of Rs.2.60 crores.

3) The Vice Chairman & Managing Director, LIDCAP, has further stated that many of the employees who retired/deceased could not receive at least the retirement benefits and many of them have number of personal difficulties such as suffering from chronic ailments, themselves and their family members, performing of the marriages of their children, medical expenses. Almost all the employees have served the organization for about 30 years and presently they are in a pathetic condition. But the Corporation is unable to pay the retirement benefits to its retired/expired employees.

4) The Vice Chairman & Managing Director, LIDCAP, has stated that now the LIDCAP is taking up commercial activities at Krishnapatnam duly establishing International Leather Complex. After generating funds, the Corporation will clear the old loans of Rs.2.92 crores together with the proposed current loan of Rs.2.60 crores to the Government. Since the retired employees are facing great hardship for non-receipt of terminal benefits, they are facing severe financial crisis for minimum basic needs like performing the marriages for their children, health needs and children education, etc. He has requested the Government to consider on humanitarian grounds and sanction the loan amount of Rs.2.60 crores apart from already sanctioned of Rs.2.92 crores.

5) Government after careful examination hereby accord sanction to an amount of Rs.2.60 crores (Rupees two crores and sixty lakhs only) as loan to LIDCAP under plan towards payment of retirement benefits/ PRC arrears to 40 retired/expired employees since 2008, as additional funds in relaxation of treasury control orders pending provision of funds by obtaining supplementary grants during the year 2010-11.

6) The expenditure sanctioned in para-5 above shall be debited to the following head of account:

6875	–	Loans for other industries
60	–	Other industries
190	–	Loans to Public Sector and Other Undertakings –
11	–	Normal State Plan
SH(04) – 001	–	Loans to other companies for implementing VRS (to be opened)

7) The Assistant Secretary to Government, Finance (DMC) Depepartment, A.P.Secretariat, Hyderabad is authorized to draw the sanctioned amount in para-5 above by preferring Loan Bill in favour of the Vice Chairman & Managing Director, LIDCAP Limited, Hyderabad, by way of cheque and send the same to the VC&MD, LIDCAP for disbursing the same for the purpose for which it is sanctioned.

8) The amount sanctioned in para-5 above, shall be secured against the assets of the LIDCAP Limited, and the Vice Chairman & Managing Director, LIDCAP , Hyderabad will create first charge on assets for the loan amount sanctioned.

9) The Commissioner of Industries, Hyderabad, is requested to send necessary proposals for obtaining Supplementary Grants to the Finance Department at appropriate time for inclusion in S.E. 2010-11.

10) This order issues with the concurrence of Finance (Expr.I&C) Dept., vide their U.O.No.9977/155/Expr.I&C/10, dt:28.5.2010 and also in pursuance of B.R.O issued by them, vide G.O.Rt.No.2670, Finance (Expr.I&C) Dept., dt:27.5.2010

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J.C.SHARMA
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Commissioner of Industries, A.P., Hyderabad.

The Vice Chairman & Manager Director, LIDCAP, Hyderabad.

The Assistant Secy. to Govt., Finance (DMC) Dept., A.P.Secretariat,Hyd.

The Pay and Accounts Officer, A.P., Hyderabad.

The Director of Treasuries & Accounts, A.P., Hyderabad.

The Accountant General (A&E), A.P., Hyderabad.

The Principal Accountant General (Audit-I), A.P., Hyderabad.

The Accountant General (Audit-II), A.P., Hyderabad.

Copy to:

The P.E. Deptt./ The Finance (Expr.I&C) Department.

The P.S. to Minister (MSME/Sugar/KVIB/P&S)

The P.S. to Prl. Secretary to Govt. (FP), Industries & Commerce Department.

SF/SC

//FORWARDED :: BY ORDER//

SECTION OFFICER